

Oil & Gas TIDBITS



We Keep North Dakota Going Strong

Oil & Gas Ranks Among Top Industries In ND

Industrial Commission Releases Research Results

North Dakota State University researchers recently announced that the oil and gas industry generated \$3.9 billion in total business activity for 2005, making it one of the state's largest industries. The North Dakota Industrial Commission received the results of the economic impact study at their recent meeting.

This study, the first of its kind for the industry, was

funded by the North Dakota Petroleum Council with grant support from the Oil and Gas Research Council under the direction of the North Dakota Industrial Commission.

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direct employment for 5,267 people and is helping to create more good paying jobs and careers in our state."

The study also indicated that 20,650 people were employed in secondary jobs related to the petroleum industry in 2005. The total economic impact of the petroleum industry in North Dakota was \$3.88 billion in 2005. This ranks the oil and gas industry among North Dakota's leading economic contributors. In comparison, NDSU researchers estimated

annual gross business volume for wheat to be \$3.56 billion and coal to be \$1.8 billion.



"This is the first time an economic impact study of North Dakota's oil and gas industry has been conducted," said Ron Ness, President of the North Dakota Petroleum Council. "We anticipated that the impacts would be significant; however, we didn't

expect to find the impacts would be comparable to other leading sectors of the state's economy. What's particularly remarkable about such high economic statistics is that the study only included crude oil and natural gas production, transportation, and refining services. The additional impacts resulting from the sale of retail gasoline, the distribution of fuel oil and other related activities were not part of this research study."

For more information and to view the complete study, visit www.ndoil.org. 

Oil & Gas Ranks High

According to a recent study, petroleum ranked high among top North Dakota industries in terms of total business activity within the state.

Petroleum		\$3.9 billion
Wheat		\$3.56 billion
Coal		\$1.8 billion

Oil & Gas Employment

Within the Industry (direct employment)

- 1,794 oil operators
- 471 pipeline/processing
- 3,001 oil field service
- 5,267 full-time jobs in the industry

Within the Industry (indirect employment)

- 20,650 full-time jobs in other sectors of the economy

- North Dakota ranks 8th among the nation's oil-producing states.
- More than 125,000 barrels of oil are produced in North Dakota each day.
- There are currently 51 rigs drilling new oil wells.
- The industry produced 39 million barrels of oil last year.
- Currently, there are more than 3,600 producing oil wells in the state.
- Average production per well is about 30 barrels per day.
- 160 oil companies own and operate wells in North Dakota.
- A recent study indicates the industry needs to hire more than 3,000 new employees each year for the next four years.

Petroleum Joins Agriculture As Major Economic Force

Secondary Economic Impacts Huge For Oil & Gas Industry


“Agriculture remains our state’s number one industry; however, having another leading economic engine like the oil and gas industry helps solidify a broader economic base for our state’s future,” said Agriculture Commissioner Roger Johnson.

The study found total direct economic effects on the state produced by the petroleum industry were estimated at \$1.48 billion in 2005. Direct effects included the areas of extraction (\$910 million), exploration (\$445 million), and processing (\$132 million) of crude oil and natural gas.

Secondary effects by the petroleum industry significantly affected the state’s economy as well, totaling an estimated \$2.4 billion for 2005. Retail trade (\$774 million), personal households (\$740 million), government (\$121 million), and communications and public utilities (\$119 million) were sectors that

generated substantial secondary effects.

“The state’s seventeen counties with oil and gas production are feeling the positive economic effects of the growing oil and gas activity,” said Attorney General Wayne Stenehjem. “The rest of the state also benefits from the taxes paid by the oil and gas industry, (\$281 million in state and local taxes, 2005).”

The results also showed that the industry paid nearly \$200 million in royalties and \$82 million in lease bonuses to mineral and royalty owners in 2005. 

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State and Local Government Revenues

- State and local government revenues including taxes, permits, fees, royalties paid by oil firms were estimated at \$280.8 million.
- Additional tax collections including sales and use, personal income from secondary effects were estimated at \$55 million.



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Ron Ness, President

Economic Effects of Key Segments of the Industry

(North Dakota Petroleum Industry, 2005)

	Oil & Gas Exploration	Oil & Gas Extraction	Pipeline & Processing
Direct Impacts	\$445 million	\$910 million	\$132 million
Secondary Impacts	\$775 million	\$1.4 billion	\$238 million
Gross Business Volume	\$1.2 billion	\$2.3 billion	\$370 million
Government Revenues	\$42 million	\$228 million	\$10 million

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